



Via Electronic Filing

June 17, 2003

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Room TWB-204  
Washington, DC 20554

Re: Notice of Ex Parte Communication, CC Docket No. 96-128 -- In the Matter of Implementation of the Payphone Reclassification and Compensation Provisions of the Telecommunications Act of 1996.

Dear Ms. Dortch:

On Tuesday, June 17, 2003, the following members of the International Prepaid Communications Association: L. Scott Cohen (AT&T), Hope Halpern (Telstar International), Steven Ott (ITXC), Richard Harding (9278 Communications), Carl Billek (IDT) and myself met with Mr. Christopher Libertelli, of the office of the Chairman of the Commission.

In addition, we distributed a copy of the attached memorandum, "IPCA Summary Position on DAC For Meeting with Christopher Libertelli."

Sincerely,

Attachment

Howard Segermark, Executive Director  
International Prepaid Communications Association  
904 Massachusetts Avenue, NE  
Washington, DC 20002  
Ph: 202.544.4448  
Fx: 202.547.7417  
howard@I-PCA.org  
[www.I-PCA.org](http://www.I-PCA.org)



## **IPCA Summary Position on DAC For Meeting with Christopher Libertelli**

~ June 17, 2003 ~

### **SBRs assume that PSPs are receiving fair compensation from PSPs**

- SBRs pay IXC monthly, based on real CDR data –whether or not IXCs pay PSPs we can't really know.
- SBRs pay more than their fair share in compensation – although perhaps not received by PSPs.
  - 2-5 cent handling fees even though IXCs have not implemented any new tracking systems.
  - IXC plans to impose 49 cent DAC charges on SBRs to make up for the interim period payments.
  - IXCs force SBRs to pay DAC monthly, while providing DAC to PSPs quarterly – in arrears.

### **SBRs are the best suited to track completed calls**

- SBRs know when calls are completed based on info digits, originating and terminating ANI information, and answer supervision.
- No new routing methods have been implemented since the Second Order on Recon, and no other carrier in the call path can determine whether the call is completed.

### **SBRs are best suited to compensate PSPs for completed payphone calls handed off to them**

- Since SBRs are the only carriers who can track a completed PSP call, they are best suited to pay.
- SBRs can use clearinghouses to handle PSP compensation, or opt to do it directly.
- The Commission's Order in Bell Atlantic et. al, which requires IXCs to identify SBRs to PSPs based on their 800 numbers, should assure that PSPs can identify SBRs to whom calls are handed off by IXCs.

### **The Commission should not the revisit proxy methods for compensating PSPs**

- "Set-use fee", "timing surrogates" and "IXC hand-off" proposals all conflict with Section 274 of the Act, are discriminatory, provide a wind-fall for PSPs and confer an unfair competitive advantage on IXCs.
- All of these options were discussed and rejected in the Commission's Second and Third Orders on Reconsideration and should not be revived now.

### **The Commission should affirmatively declare that IXCs cannot take advantage of their position as middlemen to turn PSP compensation into an IXC profit center**

- IXC compensation for DAC should be limited to the proxy rate set by the Commission of .26 per call.
- IXCs should not be allowed to bill SBRs 6 months in advance.